



2002-2003
Annual Report

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History of Flyer Enterprises

Flyer Enterprises has its roots in Dayton Student Agencies (DSA). DSA was a small club formed in the fall of 1998 by four students: Rene Demarchi, Emily Bracken, Todd Sharp, Matt Williams and their advisor Professor Rebecca Wells. DSA's purpose was to expand the learning-by-doing experience of running small businesses through creating more businesses like the already existing Rudy's-Fly-Buy.

DSA's first actions as a club were to bring on new members and set them out to investigate three possible new venture opportunities. Those projects entailed a coffee shop, a bagel shop, and a spin-off venture of Rudy's clothing line. Nearly a year later, the coffee shop opened, as The Blend, and the other two projects were declared infeasible. The Blend and Rudy's Fly-Buy continued to operate for a year without much formal cooperation under the title of DSA. With two of DSA's three initial projects stagnant there were no new venture ideas, nor DSA members to investigate them. All original DSA members had graduated, quit, or started work with either Rudy's Fly-Buy or The Blend.

In November of 2000, Rudy's Board of Directors was found to be ineffective and then acting President of Rudy's Fly-Buy, Michele Whittmann, set out to create a new board. At the same time The Blend's first President, Michael Kaiser, was setting out to create a board for The Blend. Kaiser and Whittmann began to work together to create their separate board structures, because both boards had similar requirements. Kaiser and Whittmann found benefits to Rudy's and The Blend sharing a board. First, quality board members that were willing to serve were hard to find. Secondly, both felt that bringing the two businesses closer together would be immediately beneficial for student learning and beneficial for the student-run business program in the long run.

Kaiser and Whittmann then sought out the recommendations of DSA's advisor Professor Rebecca Wells. Both asked her how to form a stronger DSA encompassing a singular board. At the same time Dean Sam Gould of the SBA and Dean of Students William Scheurman met and found that there was a greater need for university oversight on the two businesses. Thus the idea of stronger oversight was integrated into the discussions and new members joined the group. The new members were: Kathryn Brown, President in Training for The Blend; Robert Chelle, Director of the Crotty Center

for Entrepreneurial Leadership; Richard Flaute, Executive in Residence; Todd Sharp, DSA Founder and NCR Employee; and Paula Smith, Director of Dining Services.

In an effort to capitalize on the experience of other student-run business programs, Kaiser and Whittmann took a trip to Harvard Student Agencies at Harvard University and The Corp at Georgetown University. The two spent two days talking with the students, faculty, alumni, and support staff that made each program work. Taking the ideas found at Harvard and Georgetown, the full DSA group began to form a structure that would work well at UD. With a move from a student club to an organization under the School of Business, DSA changed its name to Flyer Enterprises. In Fall 2001 Flyer Enterprises held its first Board of Directors meeting lead by its first CEO, Michael Kaiser, and first Executive Advisor, Professor John Shishoff.

Chief Executive Officer's Address

To our stakeholders:

Throughout the past year, we have moved through tremendous growth and change as an organization. We successfully completed the first full year of operations at two new ventures, Rudy's on the Hill and The Blend Express, and invested significant energy into solidifying our core operations at Rudy's Fly-Buy and The Blend. As we have moved through this transition phase, we have developed a three-year strategic plan that will allow us to grow into a national leader amongst undergraduate business programs. Doing so has allowed us to identify our core objective as an organization: the development of our employees into successful business leaders.

We have divided our growth strategy into three equally important areas of development: the integration and improvement of our core businesses; the expansion into two new ventures in August of 2004; and the further development of Flyer Enterprises as an integrated curriculum within the School of Business Administration. Throughout this period of unprecedented growth, we will focus on developing foundational partnerships with all of our stakeholders, including the School of Business Administration, the University of Dayton as a whole, the Dayton business community, prospective students, and primarily, our current and future employees that will serve as the future leaders of our organization.

Over the last eight months, we have focused on deeply integrating our management team to improve efficiency, and to provide for better succession planning. We moved through this transition in two phases. The first, which we completed on August 15, featured the consolidation of marketing into one department, the shift from four division Presidents to two Chief Operating Officers, the development of concentrations in accounting, human resources, and marketing for our Sales Associates and Baristas, and finally, the consolidation of vendor relations at Rudy's Fly-Buy and Rudy's on the Hill. In the second phase, which we expect to complete by January 1, 2004, we will integrate our accounting functions into one office under our Chief Financial Officer.

In addition to consolidating our accounting systems, over the next three years, we will focus on developing our information systems to provide for enhanced employee development, reductions in our variable cost base, and increases in top-line revenue. We plan on moving through this development by focusing on integrating our point of sale systems with our vendors, developing human resources software to assist in the hiring process, and developing our internet capabilities to enhance recruiting, involve our alumni, and promote Flyer Enterprises to the external community.

The pinnacle of the development of our core divisions focuses on changing the business model at Rudy's Fly-Buy. Because of the changing demographics of its industry, as well as its target market, we have reached the conclusion that Rudy's Fly-Buy, which has stood as our core since 1990, can no longer succeed in its current model as a traditional convenience store. Throughout the next year, we will investigate several distinct changes to Rudy's Fly-Buy that we feel will prepare Rudy's for its next series of challenges.

Next August, we expect to open two new ventures, completing an expansion that began in 2000 with the opening of The Blend, and featured the fastest growth of a student-run business in the country. Our first new venture, tentatively titled the Crossroads Café, will be the focal point of ArtStreet, located in the heart of the South Student Neighborhood. The Café will feature a unique product line, drawing heavy influences from European food emporiums. Our second new venture presents an exciting opportunity for a joint venture with Dining Services in the soon to be renovated Kennedy Union Games Room. The initial concept drawings call for a Café featuring gourmet foods and drinks, aimed at offering students a social atmosphere within the core academic campus.

Our main focus throughout the next three years will be the development of Flyer Enterprises as an integrated academic program. We envision Flyer Enterprises as a model of innovative curriculum providing academic support to hands-on business experience. Within Flyer Enterprises, we are proposing the development of several programs. The first, a Flyer Enterprises Advisory Council, already exists in an informal capacity. Currently, members of the University of Dayton community that offer assistance to Flyer Enterprises are unofficially involved in this advisement body. We

would like to expand this to a formal council that would assist in management seminars and provide enhanced networking opportunities. We also see a benefit in incorporating leaders of the Dayton business community. We also hope to rebuild our relations with former employees of Flyer Enterprises by developing incorporating them into the Advisory Council. We view our former employees as a tremendous resource bank of knowledge and experience, and hope to have the opportunity to continue their involvement in Flyer Enterprises long after they depart our organization.

Secondly, we hope to develop a mentoring program for managers in which they have the opportunity to foster their growth as business leaders by working on an individual level with professionals within their respective fields. Doing so will allow our employees to receive experiences unrivaled by comparable programs throughout the country. Finally, we hope to truly integrate Flyer Enterprises with the classroom experience provided by the School of Business Administration. We view Flyer Enterprises as a unique opportunity to expand upon the academic environment, mixing innovation with traditional academic development.

As we have grown and expanded as an organization, we have reached the conclusion that we need to alter our business model, or we will face insurmountable challenges in the future. Since the development of Rudy's Fly-Buy in 1986, student-run businesses on our campus have been operated solely by undergraduate students with limited oversight. While this model has fostered tremendous development for many employees, to reach new heights, we must adapt and change. Throughout the past year, we have benchmarked ten comparable programs throughout the country to analyze how we can improve our organization. After analyzing ten student-run business programs throughout the country, we have concluded that two possibilities exist: the development of a full-time Director to coordinate Flyer Enterprises, or involving MBA students in the strategic development of Flyer Enterprises. Over the course of the next six months, we will analyze both options, and make formal presentations to our Board of Directors and the University of Dayton administration. It is with great hope that we embark on our next series of challenges, and we are confident that we have developed a strategy that will allow us to expand Flyer Enterprises into the next Center of Excellence at the University of Dayton.

As we prepare for the future, it is important that we remember the past, and thank those that have fostered our development. We would first like to thank Kate Brown, Lee Lust, Mike Kaiser, and Todd Sharp; Flyer Enterprises exists today because of the level of dedication each of you showed in leading our organization. We would also like to thank Professor Shishoff for his continued support of Flyer Enterprises; Dick Flaute, Bob Chelle, and Fred Mershad, for their ability to challenge and test us; Deb Bickford, for offering us unparalleled support throughout the years; Ken Soucy and Paula Smith, for continuing to work with us through high levels of adversity; Dr. Sam Gould, for his support of the Flyer Enterprises within the School of Business Administration; and Dr. Bill Schuerman, who led the development of Rudy's Fly-Buy, and continues to support our growth into our new ventures. Finally, we would like to thank Kate Homan and Matt Brown for the dedication they have shown throughout the past two years. Kate and Matt have both made tremendous sacrifices for our organization, and it is with regret that we prepare to watch them depart Flyer Enterprises.

As we align ourselves for the future, it is with great anticipation that we welcome several new faces into the Flyer Enterprises family. Adam Weber, Anne MacLean, and Laurel Reeber have each assumed leadership positions, and we look forward to facing challenges with them. Jane Rombach, Manager for the Center for Portfolio Management has recently joined our Board of Directors, and we anticipate the different perspective she can bring to our organization. Finally, we are encouraged by the selection of Dr. Pat Meyers as Dean of the School of Business Administration, and look forward to working with her in developing a vision for Flyer Enterprises, as well as the School of Business Administration as a whole.

Thank you for your continued dedication and support,

Peter D. Pergola

Peter. D. Pergola
Chief Executive Officer
Flyer Enterprises

Chief Financial Officer's Address

As I entered the Chief Financial Officer position in March of 2003, I knew I had a difficult pair of shoes to fulfill, as my predecessor, Lee Lust, did an outstanding job developing the initial foundation for the CFO position. Familiar with the divisions from previous managerial and consulting involvement, I knew this position would be like no other. I found myself with a busy year ahead full of exciting and challenging opportunities and yet another chance to assist the divisions mature.

Upon entering the position, Flyer Enterprises was entering what would eventually become a major business model restructuring. Not only was creating financial and operational stability within the organization a task requiring attention, but the business model, along with changing roles and responsibilities, was also changing.

In order to continue with timely and accurate financial reporting, my first task involved assisting the divisions in developing fiscal year 2003-2004 balanced budgets per operating division. Budget development was based on previous sales and expenditures and forecasted activity. These balanced budgets would later turn into functioning budgets used to guide the divisions on a monthly operating basis. Creating a plan to measure performance throughout the year became a major stepping-stone for each division, which will serve as a financial tool to aid in managerial decision-making. Furthermore, the divisions made great strides in preparing comparable financial statements. In the future, the divisions will have quarterly financial statements to look back on instead of single year-end statements. In the end, the fourth quarter proved the ability to create standardized financial statements across the board when each division submitted uniform, comparable, and accurate income statements and balance sheets. No other management team in the past has had available the amount of accurate information as this group of managers. Next year, the quantity of information will grow when each division prepares and presents monthly Statements of Cash Flows per division.

While achieving great strides in financial reporting, the divisions also encountered financial challenges. The second and third quarters turned the most profits, while the first and fourth quarters included losses from unprofitable summer months. All divisions noticed depressed sales on the year as a whole compared to fiscal year 2001-2002.

Unstable economic conditions, heavy winter snowfall and an extremely rainy spring decreased traffic flow at all divisions and contributed to lower sales. The main customer payment type among all divisions, except Rudy's on the Hill, remained cash with over 60% of sales generated from this form of income. Rudy's on the Hill attributed 68% of revenue to flyer express and credit card sales contributed to 20% of Rudy's Fly-Buy's total sales. Consolidated, the four operating divisions generated total revenue of \$803,529.36. However, total division expenses on the university's books exceeded revenue by \$42,242.68. In order to close the divisions' accounts on the university's books, Rudy's Fly-Buy reduced their Repair and Replacement fund from \$25,661.40 to \$0 with the School of Business Administration (SBA) contributing funds to cover the remaining \$16,581.28 deficit. The difference of \$1,294.58 between the university losses and the division losses is the net of depreciation expense and interest expense not recorded by the university but by the divisions, and loan principles omitted from division income statements but expensed by the university. Flyer Enterprises Corporate Level incurred \$29,118.58 in expenses and received a grant of \$25,000, which left a \$4,118.58 uncovered difference. SBA again assisted to cover the difference. Closing the books each fiscal year presents new challenges, and each year a dedicated group of individuals provides their expertise and time to assist the student divisions. I would personally like to thank Tom Weckesser (University of Dayton Comptroller), Ann Garcia (University of Dayton Internal Auditor), and Carol Haenel (Assistant Dean for Administration) for their incredible expertise, patience, and dedication to Flyer Enterprises.

In preparation for the new fiscal year, several changes have occurred to ensure a profitable year. Foremost, Flyer Enterprises consolidated several positions to reduce labor costs. Consolidating overhead will reduce costs by nearly 30% from last year. Secondly, Flyer Enterprises has placed a hiring freeze on corporate level positions until formal funding is secure for operation, namely the Information Technology Coordinator position developed last year, and Internal and External Relations. Next, prices across all division increased to boost profit margins. The Blend Express positioned itself for a year of growth by adding a smoothie line to its specialty drink line-up. Forecasted return on the new product line expects between \$7,000 on the low end and \$14,000 on the high end in gross profit. Rudy's Fly-Buy has re-merchandized the store and included novelty

items in efforts to match industry trends and increase profit margins. I predict substantial differences from last year's deficit to minimal profit or break-even positions across all divisions. In addition, Kennedy Union Games Room and the ArtStreet Café have scheduled to open in August of 2004. These two new establishments present additional opportunities for resource management and allocation.

The future of the Chief Financial Officer position is as exciting as ever. Fiscal year 2003-2004 looks promising for continued success in the divisions as Flyer Enterprises positions itself for growth as a national program leader and the University of Dayton's next Center for Excellence. A new experience for the CFO will be the partnership with Kennedy Union, which alleviates financial responsibility from Flyer Enterprises for the renovation of Kennedy Union Games Room. The partnership contracts student management and employees from Flyer Enterprises for a share of the café's profits as a fee. Furthermore, cost control and operational budgets will remain a priority to monitor revenues, expenses, and goals of all entities. The future of the CFO position will rely heavily on making strategic decisions and driving the train for technical financial responsibility. The CFO's utmost responsibility will require attention on stabilizing the existing divisions, continuing to provide support to the new centralized accounting structure, and administering encouragement to the new divisions.

My time as the CFO has been one of great challenge, professional growth, and personal achievement. This opportunity has prepared me for the real world situations I will encounter outside the safety of the university walls. Throughout my four years of active involvement within the student run divisions, I have witnessed growth from two independent operations to an explosion of four, soon to be six, thriving and fully functional establishments. Ultimately, neither Flyer Enterprises, nor myself, would be in the position today without the continued support of all the university faculty, staff, and administration that generously supported the students throughout the years. I trust the program will continue to receive the utmost attention and support I have experienced and more.

Lastly, I would like to extend the most gracious words of thanks to key individuals I have worked with most closely throughout my CFO experience. Again, I would like to thank Tom Weckesser, Ann Garcia, and Delanie Moler for their unending

support, encouragement, and trust of the Flyer Enterprises program and myself. I could not have done this without you. I would like to express thanks to Deb Bickford for her continued unconditional support and positive outlook; Professor John Shishoff for his time, patience, and words wisdom and encouragement; Paula Smith and Ken Soucy for their active involvement and insight in decision-making; Carol Haenel for her perseverance and high expectations; and Dean Meyers for her newfound support in the Flyer Enterprises program. Finally, to Pete Pergola who never ceases to impresses me with his strategic insightfulness, dedication, and ability to make wonderful things happen. I give my most sincere appreciation and gratefulness to every one of you.

Sincerely,

Kathleen M. Homan

Kathleen M. Homan
Chief Financial Officer
Flyer Enterprises

“Nothing great was ever achieved without enthusiasm.”

– Ralph Waldo Emerson

Rudy's Fly-Buy

Rudy's Fly-Buy first opened its doors on January 3rd, 1990. The original purpose of the store was to give students the ability to apply what they have learned in the classroom to a real life business while providing an invaluable service to the community. Since then, Rudy's has seen several changes, both internally and externally. However, our mission has remained consistent over the years, even as sales, profits, operational plans, and marketing strategies changed and adapted. The one constant has been the opportunity for students to learn more about running a business while handling ethical responsibilities for the community. Rudy's Fly-Buy will always be a success, as long as students are giving that opportunity.

More emphasis was placed on the learning aspect of working at Rudy's this year than in the past. The more real-life the business experience for the students, the more we will learn and the better prepared we will be for future occupations. The primary objective for students working at the store has never been to increase sales and profits. However, we acted as if it were most of the time in order to foster real life situations and more of a goal oriented atmosphere. This probably also increased the amount of stress and pressure for students working at the store, especially the management team, which will hopefully only prepare us more for our futures.

Rudy's Fly-Buy grew in several ways over the past year and made many accomplishments. Everyone at the store did more than what was asked of them to help make some of our goals a reality. Rudy's worked as a team to make the best decisions for the store to satisfy the needs and wants of our customers. Probably the largest decision we made was on a desperately needed POS system, Booklog, to replace the outdated BASS system.

BookLog is a high-end inventory system primarily used by bookstores. However, we realized that BookLog offered everything we needed and the University of Dayton Bookstore would be using the same system. Therefore, we have nearby assistance to help maintain the POS system, which proved difficult over time due to the high turnover rate of employees. The challenge over the past year was making the system work for the store. All product information had to be uploaded into the inventory database, the

computers needed to be networked properly, and programs needed to be adjusted and outlined to unify the system, from upload of purchases to sales receipts. Additionally, new opening and closing procedures needed to be prepared and all employees trained accordingly. Unfortunately, all of this needed to be done at the beginning of the school year, which took time away from invaluable planning and organizing for the upcoming school year.

Lucy Goeke, the Vice President of Accounting and Finance worked with Kate Homan and Lee Lust to renovate the old accounting procedures. The biggest problem in the past was the enormous amount of time spent entering inventory into the POS system, which was minimized by the purchase of BookLog. Furthermore, all accounting information is now properly labeled and stored. Lucy also utilized Peachtree Accounting to provide the Board of Directors with accurate financial information, which was a long time objective for the store. We have also implemented procedures to properly record inventory losses throughout the year.

Mandy Bosse, the Vice President of Operations and Human Resources, worked to properly document all store procedures. She also researched a potential delivery service, which was deemed an unnecessary liability for the required University Insurance. Also, in an attempt to maximize profitability, she spearheaded an attempt to set long term agreements with cooler drink providers. However, we realized over time that the relationship that Coke has with the University, along with the benefits that Rudy's received from being part of the UD umbrella, proved too important to make any major changes. New weekend hours and employee evaluations were also implemented, which positively affected the workplace. Furthermore, we worked with Day Air Credit Union to provide an ATM service at Rudy's, after realizing that increased customer traffic would be more profitable than the small transaction fee generated with the old ATM provider.

Allison Bisig, the Vice president of Marketing and Public Relations, worked to improve the relationship with Rudy's Fly-Buy and all of our constituents. Rudy's sponsored several cookouts in the fall to attract students to the store and enforce the "Students Serving Students" motto. We also joined with Rudy's on the Hill to hold a Taste of Rudy's event, which united over 20 area restaurants and vendors to provide

samples of food and products to hundreds of UD students. Then in the Spring, we worked with ROTH again to sponsor a 3 on 3 basketball tournament, which provided fun and entertainment to over one hundred UD students. We also worked with several store vendors to run sales throughout the year; some of the most successful were with Jones Soda and Blimpie Subs.

Despite all of our ideas, efforts, and accomplishments, we were not able to either increase sales or profits from the previous year. The large loss nearly wiped out our savings account, which puts even more pressure on the current students. Hopefully, some of the projects that we spent so much time on this past year, especially BookLog and the management restructure process, will prove to be beneficial in years to come.

In conclusion, as the state of Flyer Enterprises and Rudy's Financial position changes in the future, Rudy's Fly-Buy should never move away from it's original mission to provide students a real life learning opportunity while providing an invaluable service to the community. In my own experience, this fosters the brilliance of working honestly as a team to accomplish goals and objectives, which is so important in both the business world and community today.

Sincerely,

Matthew B. Brown

Matthew B. Brown
President
Rudy's Fly-Buy

Rudy's on the Hill

The 2002-2003 year was a stepping-stone for Rudy's on the Hill. In the process of continually providing an invaluable educational experience for the employees, ROTH found its own identity. Entering as the President in December, I was very excited to take advantage of the opportunities Rudy's and Flyer Enterprises had to offer, but was also anxious to discover the direction in which ROTH was heading.

ROTH in its first full year was still in its early stages of development, but as time passed it was clear that the store was a separate entity from, but still reliant on its more mature mentor Rudy's Fly-Buy. The management team worked hard to establish the norms of the store's operations and its market. We found differences between the stores in the manner in which all business aspects were conducted. ROTH established its own target market in Stuart Hall and found new interesting ways to attract it. Operationally, ROTH was much more simplified than its mentor because of its smaller size. This allowed for smaller payroll costs and less complex in-store procedures. In accounting, work was done to provide more accurate financial statements and to contribute detailed sales analysis useful in decision-making.

As ROTH's first full year of existence came to a close, much was learned about the store and what would work best to have profitable bottom lines in the future years to come. The store's on-going development played a major role in the restructuring of Flyer Enterprises. In the end, the foundations were laid for a successful student run business in Stuart Hall.

Certainly, the year prepared ROTH for any challenges it may face in upcoming years, and of course, it maintained Rudy's continual accomplishments in the area of

providing invaluable educational opportunities to the students of the University of
Dayton.

Sincerely,

Adam Weber

Adam Weber
President
Rudy's on the Hill

The Blend & The Blend Express

I'm proud to report that the 2002-2003 school year was a year of teamwork for The Blend. We faced many challenges over the past 12 months, from machines breaking down to unexpected low sales. But the flexibility of our operations, and the dedication and experience of our employees lead us through to an educational and somewhat successful year. The biggest change this year was the opening of The Blend Express in September. After many unexpected set backs, and almost doubling The Blend's staff, we were open for business. Though The Blend and The Blend Express had different management teams, we shared employees, and kept all procedures, products, and policies uniform. With The Blend and The Blend Express working together, the following events happened in the areas of marketing, operations, finance, and human resources.

The Blend has continued to stress the importance of forming relationships with our customers. This fiscal year we reached our customers through several different mediums to attract the most repeat customers. These efforts include several new promotions, targeting prospective students and their families in collaboration with Admissions, and working on a new menu to debut in the fall of 2003. This year, marketing focused less on discounts, and more on attraction to the coffee shops. Annie Gossett and Sarah Mann, both Vice Presidents of Marketing, worked on The Blend's marketing plan, along with conducting a detailed survey to better meet our customers' needs. This fall, Sarah Mann will become the Director of Marketing for both stores, working primarily on low cost, effective means of reaching current and potential markets.

Mark Meyrose and Brett Westerman kept operations running smoothly through teamwork and communication. New products were introduced, such as Altoids, Otis Spunkmeyer pastries, and soy milk. Also, The Blend opened on Sunday nights during the busier times of the semester to increase sales and maintain customer loyalty. Problems occurred with espresso machines, lack of product, and scheduling, all resolved timely and in the best means possible. In the future, we hope that operating the stores becomes much easier so that the general managers can focus on new projects.

The Blend and The Blend Express are working very hard to improve our financial status. Cash Register procedures were implemented for The Blend Express, along with stricter cash control systems. Ryan Bartolucci and Chris Wasik worked to obtain financial statements from Peachtree. This year, The Blend's R&R fund grew tremendously, and The Blend Express is planning on opening a similar account. Deposits will be done more often, to increase the cash flow of both businesses. During the next fiscal year, the accounting system will be evaluated to improve processes and decrease payroll. A significant figure to notice is The Blend's annual profit of over nine thousand dollars. Hopefully we will see this number increase, along with the future profits of The Blend Express.

In the Human Resource department, Mike Guy and Erin Demopoulos worked to make the evaluation process more efficient, lowering payroll and still maintaining the same level of information to and from employees. A new employee incentive program was implemented called FISH!. This is a neat opportunity where employees are complimented by their peers, enhancing the team morale of both stores. A database was compiled to keep the records of all employees accurate and safe, while including past employees in case contact ever needs to be made. Finally, in working with Flyer Enterprises, the management structure was analyzed and changed. There will be a Chief Operating Officer, Director of Marketing, and Director of Human Resources overseeing both locations, and general managers for both stores. This enhances the responsibility of the managers, decreases payroll, and creates a better means of communication for both stores on campus. Further, The Blend and The Blend Express will now have separate employees, to ensure uniformity and create less confusion. All in all, this new organizational structure will improve the financial situations of both stores, while improving strategies in all areas of business.

I am grateful to have had the opportunity to grow and learn at The Blend. After working for two years with friends, I am proud to pass this opportunity to Anne MacLean, who will be the Chief Operating Officer of The Blend and The Blend Express. I wish Anne, and Sarah Mann, Director of Marketing, Patty Jehling, Director of Human Resources, Ryan Bartolucci and Chris Hake, Vice Presidents of Accounting, Mark

Meyrose and Brett Westerman, General Managers, the best of luck. In reflecting on my time at The Blend, I would like to thank Devonda, for your support and smiles, The Blend employees for your dedication and fun attitudes, and Sarah, Ryan, Mark, and Brendan. There is no doubt in my mind that my experience at The Blend was positive because of you.

Sincerely,

Christy Ricker

Christy Ricker
President
The Blend & The Blend Express

Chairman of the Board's Address

As Dayton and the University prepared to celebrate "Inventing Fight," the student leadership focused on the task of beginning to invent a Flyer Enterprises for the next century. As hard as it was to actually establish a corporate enterprise, the student leadership and the Board of Directors realized that the existing division and corporate business models needed to be changed if Flyer Enterprises was to survive and thrive in the future. Establishing two new businesses and baselining the largest operating division this year, while planning to establish two new additional operations in-2004 - 2005 compounded the urgency of the task. With help and advice from the Board, Pete Pergola led the analysis that ultimately resulted in significantly revising the operating division and corporate structures and the Board of Directors. We all expect this effort to lead to positive operating results in 2003 - 2004 and to form a solid foundation to bring additional new operations on-line successfully in the future.

The students managing Flyer Enterprises activities have also made remarkable progress in operating the divisions in a business-like manner over the past year. They have been held accountable for their operations, and for the most part have risen to the challenge, creating an even better learning environment for themselves and other students who use the activities as a learning lab. In fact, Dick Flaute, Executive in Residence, recognized this at a recent Board meeting when he leaned over to me and said: "They're beginning to sound like real business people!" I can't think of a higher compliment in this environment.

John W. Shishoff

John W. Shishoff, CPA, CGFM
Flyer Enterprises Chairman of the Board and
Director of Undergraduate Programs,
School of Business Administration

2002-2003 Board of Directors

Sean Bartley	SGA Student Representative
Deb Bickford	Associate Provost
Kate Brown	CEO of Flyer Enterprises (Prior to January 1 st)
Matt Brown	President of Rudy's Fly-Buy
Bob Chelle	Director of the Crotty Center
Jim Danis	President of Smooth Operators
Dick Flaute	Executive in Residence
Sam Gould	Dean of the School of Business Administration
Sarah Grover	President of SGA
T.J. Hunsaker	Rudy's Student Representative
Kara LeFevre	President of The Blend
Brendan McCrann	The Blend's Student Representative
Pete Pergola	CEO of Flyer Enterprises (After January 1 st)
William Schuerman	VP Student Development and Dean of Students
Todd Sharp	Alumni Representative
John Shishoff	Director of Undergraduate Programs (Chairman)
Paula Smith	Director of Dining Services
Ken Soucy	Director of Purchasing
Brian Sullivan	President of The Blend Express
Rebecca Wells	Professor
Adam Weber	President of Rudy's on the Hill